

**OESI Data Sharing Forum
BSEE Director Brian Salerno
Remarks as Prepared**

Good Morning. It's wonderful to be back here for another OESI forum. These forums are a great opportunity for us to come together and help define the parameters for what might serve as solutions to common problems.

The University of Houston has once again served as a great host, and I'd like to thank them for providing this venue and for their ongoing support of OESI. I'd also like to thank Jim Pettigrew and his staff for organizing this forum. Jim has only been on the job at OESI a few months, but has already shown a great deal of leadership and vision. He is leading the way in making the OESI a real safety resource for everyone in the offshore community.

Many of you were here for the first OESI forum on risk management back in May, which was a huge success. We had a big turnout, and as I said at the time, I was grateful for the amount of brainpower in the room, as it would surely lead to great discussions. I feel the same way this morning, seeing all of you here. Looking out at this room I am confident we will have the same level of dialogue as we did back in May, with hopefully the same quality of outcomes.

There is a reason we chose risk as the topic for the first forum. It allowed us to shape the framework for all our future forums. Today's topic and future ones really come down to how we approach risk.

We are here this week to talk about the information or data we need to adequately assess risk for low probability but high consequence events. Currently individual operators are collecting a lot of the data we need to properly assess risk, but that information isn't being shared. Everyone is working in their own silo, collecting and using information from their own operations. What's missing is the big picture data needed to properly evaluate system reliability.

There is no comprehensive way to collect and share all this data – and as a result there is information out there that could be saving lives and preventing spills – but it isn't being utilized. We need a public database that we can collectively use to improve safety on the OCS.

There is so much to be learned about system reliability from a collective database. For example, the information could help point the way towards accelerating the process of standards development. The data could also be used to inform relationships with original equipment manufacturers, providing industry with critical information on equipment reliability.

Think about how valuable this information could be in new frontier areas. As you well know, we are now planning for wells in high temperature / high pressure

conditions, requiring the use of new equipment and materials for which no standards currently exist. Wouldn't it be incredibly valuable to have more information for these operations in new frontier areas that carry great economic potential, but also carry great risk?

In thinking about the type of information needed for a robust data system there are some fundamental questions we need to answer.

- How can we collect and share data so that we can identify leading and lagging indicators?
- What information do we need to properly assess equipment reliability and performance?
- How can we use data to better understand risk events and barriers?

When I was flying down here I was thinking about analytics and the role it plays in other industries or professions. It occurred to me that one of your hometown corporations is actually one of the pioneers in the use of statistics and data. I'm of course talking about your basketball team, the Houston Rockets.

When the GM of your team, Darryl Morey, was first hired, he was really thought of as an outside the box thinker, and not your traditional basketball guy. He collected and used data to an extent that had never been seen before in professional basketball, and he not only collected data, he used it to make big decisions about how the team would play.

He had a lot of critics in the beginning, and a lot of people questioning his reliance on analytics, but over time he really revolutionized the way people run their basketball teams. Now every team has analytics experts on their staff, and special cameras have been installed in NBA arenas to specifically track player movement for the sole purpose of collecting data. It has become standard operating procedure to collect and use advanced analytics when making decisions.

This analytics revolution has even extended to other sports. Daryl Morey was one of the people behind an annual analytics conference at MIT that is now attended by teams and broadcasters from every major sport. During this conference they come together to talk about how advanced stats can be used to improve performance.

Your basketball team has revolutionized the way statistics are used. Now Daryl Morey gets a lot of the credit for this, but the truth is this wouldn't have happened without strong support from the ownership of the team. It was through a complete organizational commitment that Houston was able to lead the way in the use of statistics.

Now obviously professional basketball and the oil and gas industry are very different, but there are certainly some lessons to be learned about making the commitment to collecting and using good information. The challenge is to figure out how we can get to the point where we are sharing safety information and using it to improve performance.

Now I do realize there are some significant barriers in place that need to be overcome. For example, a lot of the information you collect is proprietary, and there are legal issues that will need to be worked out. Another issue is that there isn't one standard format for this information, which makes putting it into some sort of collective database difficult.

I know those challenges exist, but I don't think they should be deterrents. You work in one of the most innovative industries in the world; one that pushes the boundaries of what is possible every day. Surely you can put that same level of innovation and determination towards safety information.

For example, the Center for Offshore Safety encountered many of these same obstacles in the development of their near miss reporting system, and they were able to overcome them. My goal for the next two days is that instead of focusing on the obstacles, you focus on the solutions. I want you to find creative ways to collect and share data across industry.

Overcoming obstacles isn't the only issue of course. There is also the question of what a successful system would look like. There are some questions you may want to think about during the next two days:

- What attributes would a successful system have?
- What format should be used?
- Are other industries collecting and sharing this type of safety information? If so, what we can we learn from them?

Perhaps most importantly, you will need to define what success will look like. Now we at BSEE have our own thoughts on what success will look like, and we are happy to share those ideas, but we don't want to be the decision makers on this. We don't want a regulatory solution, and prefer that industry tackle this. However, at the same time our first priority is reducing risk.

In comments on rules in the past you have asked us to work with you on solutions – to work collaboratively as opposed to prescriptively. That is why we are here and having this forum, we need your help and input. We need you to determine what is meaningful information, what makes sense to collect and share. We will all benefit from a larger pool of information that can be used to assess and reduce risk.

Though we are asking you to take the lead on this, that doesn't mean we aren't committed to collecting and sharing good information. That is why we are developing a near miss reporting system that can be used by individuals as well as operators. The trend information we expect to receive and share will be broadly beneficial to all who take safety seriously.

We are also revamping our internal systems within BSEE so that we are better able to collect and analyze data. Those are steps we are taking, and they underscore the importance we place on the collection and distribution of good data. We need to see the same commitment from industry.

The organizers of this conference have done an outstanding job of putting together sessions that get to the heart of all the questions I have asked of you this morning. I urge you to go into those sessions with an open mind focused on finding solutions. You are the experts in your field, you know best what time of information you collect and what type of information will be most helpful in evaluating systems and technology. In short, you are the best suited to come up with a solution. I know that these next two days will be full of lively and thoughtful discussions, and I am excited to see what you come up with.

Thank you again for being here today.